NEVADA STATE DIVISION OF WELFARE & SUPPORTIVE SERVICES PUBLIC HEARING TO ADOPT TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, LOW INCOME HOME ENERGY ASSISTANCE PROGRAMS AND NEVADA FUND FOR ENERGY ASSISTANCE AND CONSERVATION STATE PLAN AND POLICY MANUAL AMENDMENTS

The public hearing to obtain comment and input from interested persons on the Nevada Temporary Assistance for Needy Families (TANF), Low Income Home Energy Assistance Programs (LIHEAP) and Nevada Fund for Energy Assistance and Conservation State Plan and Policy Manual Amendments was brought to order by Michael J. McMahon, Administrator of the Division of Welfare and Supportive Services, at 9:30 a.m. on Wednesday, June 18, 2014. This meeting was video-conferenced between the Division of Welfare and Supportive Services, Professional Development Center, 701 N. Rancho Drive, Training Room 5, Las Vegas, Nevada and Division of Welfare and Supportive Services, Central Office, 1470 College Parkway, Room 149, Carson City, Nevada.

STAFF PRESENT:
Michael J. McMahon, Administrator
Naomi Lewis, Deputy Administrator
Judy Arsiaga, Program Specialist, Eligibility & Payments
Lori Wilson, Chief, Employment and Support Services
Trina Dahlin, Deputy Attorney General
Laurie Squartsoff, Administrator, Department of Health Care Finance and Policy
Miki Allard, Staff Specialist
Kim Schlesener, Executive Assistant

STAFF PRESENT IN THE SOUTH
Katherine Anderson, Acting Manager, Program and Field Services
Howard Webb, Social Services Program Specialist, DWSS Professional Dev. Center
Yolanda Munoz, Social Services Program Specialist, DWSS Professional Dev. Center

GUESTS PRESENT:

North
Theresa Navarro, WCSD/State
Michelle Johnson, Financial Guidance Center
Patrick Conway, Nevada Housing Division, Weatherization Program
Nancy Brown, Nevada Asset Building Coalition
Paula Berkley, Food Bank of Northern Nevada
Steve George, Chief of Staff, Treasurer's Office
Alexandra Smith, Program Officer, Treasurer's Office

South
Yolanda Brooks, Acelero Head Start
Holly Lloyd, Southwest Gas
Celine Apo, Southwest Gas

Mr. McMahon opened the public hearing at 9:30 a.m. and explained how the hearing will proceed. He explained this public hearing was noticed in accordance with the Open Meeting Law and posted on the Division's web-site. He asked everyone to please sign in and include e-mail addresses to be included on the Division's mailing list.

Ms. Arsiaga described the proposed section changes as follows:

I. TANF

The Division of Welfare & Supportive Services is responsible for administration of the Temporary Assistance to Needy Families (TANF) block grant. The Division proposes to amend the TANF State Plan effective July 1, 2014 to incorporate several changes outlined on the attached document. State Plan changes will be incorporated into the TANF policy manual.

Need and Purpose of Proposed Regulation:
The Division of Welfare & Supportive Services is responsible for administration of the Temporary Assistance to Needy Families (TANF) block grant.

Financial Impact:
None

Impact on Local Government:
None

PROPOSED STATE PLAN AMENDMENT (OR REGULATION)

The Division of Welfare and Supportive Services (DWSS) proposes to amend the following TANF State Plan Sections and policy effective July 1, 2014.

2.4 Need and Amount of Benefits

Item B, "Resources"- Increased the equity value of real and personal property resources/assets that can be retained by TANF applicants and recipients from $2,000 to $6,000 and clarified the listing is comprised of "Excluded Resources".

3.4 Personal Responsibility Plan (PRP)

Removed the wording in item "B" and replaced it with "The PRP must be completed within 60 days of approval".

In item C, clarified "Transitional Assistance" applies to child care.

4.8 Supportive Services to TANF-NEON

A changed was made to the wording in item "C" to "Transportation assistance for NEON work activities".

5.1 Time Limits

Item "B" titled" Hardship", was changed as follows:

Removed the reference to the office manager, on behalf of the Division, may consider a hardship to "The Division will make the decision".

From the listed factors that may be considered in the decision of whether or not to grant a hardship, item # 2 was removed; as a result, items were renumbered and the new item #5 was reworded to "The head of household is suffering from any other condition or circumstances the designated staff deems a hardship. Cases will be reviewed on a case-by-case basis.

5.2 Sanctions

Item "B" titled "Cooperation During the 30-day Conciliation Period", was reworded to "The sanction is lifted and assistance continued".

12. Emergency Assistance to Needy Families with Children

A paragraph was added "Effective in SFY 2009, due to funding limitations, Nevada was no longer able to provide funding for Emergency Assistance to Needy Families with Children. Should funding become available, the plan unless changed would remain as written.

Mr. McMahon asked if there was any public comment in the north.

Ms. Brown commented that the Nevada Asset Building Coalition focuses on a multi-faceted approach to helping people out of poverty. The organization tries to provide alternative financial services, those that make sense to those in poverty who don't always trust mainstream financial institutions. Then they look at the TANF policy and as they rate these products, ask how they can encourage people to access them so they can build wealth so when they get off TANF they have a nest egg.

The current allowable asset limits for applicants and recipients on TANF is $2,000. The current asset test means that individuals and families with assets that exceed $2,000 limit must spend down long-term savings in order to receive short-term covered assistance. Personal savings and assets are precisely the kind of resources that allow people to move off of public benefit programs; yet asset limits discourage anyone receiving public benefits from saving for the future. DWSS is proposing to raise the limit to $6,000. A slightly higher asset limit of $6,000 will still prevent families from establishing an emergency reserve**.** Any limit on assets no matter how high discourages families from saving. Rather than raise the limit, Ms. Brown encourages DWSS to completely eliminate the asset limit from the TANF program because 1) presence of asset tests of any level sends a message that families should not save; 2) the asset test is counterproductive to TANF programming goals; 3) eliminating the asset test will align rules and could result in significant administrative cost savings to the state.

First, families need assets to achieve economic prosperity. Research has shown that assets and savings are crucial to helping families escape poverty and climb the economic ladder. Assets create a financial buffer to wealth, emergencies, promote success in the labor market; promote long-term planning and psychological well-being; enhance the well-being in life chances of children and can increase the likelihood of going to and succeeding in college. Accumulating and being able to pass assets onto the next generation is a key strategy for families to escape the cycle of poverty. Second, asset limits are counterproductive to DWSS's stated mission of providing quality and timely temporary services, enabling Nevada families and disabled and elderly to achieve their highest level of self-sufficiency. Since Welfare Reform in 1996, DWSS has focused on quickly moving individuals and families to self-sufficiency rather than allowing them to receive benefits indefinitely. TANF income restrictions, time limits, and work requirements make asset limits obsolete and ensure that no underserving individual receives benefits. Eliminating the asset limit and not just raising it sends a clear message to applicants and participants that saving, building assets and achieving self-sufficiency are encouraged. Finally, eliminating asset limits to align program rules can save the state money. Nevada has already eliminated SNAP and family Medicaid asset test, so eliminating the TANF asset test would align rules for fast programs and simplify delivery. Ms. Brown also stated that she has a page of responses to the state opinion. She asked to submit this document into public record.

Mike accepted the document as part of the public record.

Ms. Johnson commented that she is with the Financial Guidance Center, which is a non-profit organization that has served the state for 42 years. This organization administers asset development programs and asks that consideration be given to eliminating asset limits. They have a free tax preparation program. Any family that has 3 children and is eligible for the EITC tax refund can receive up to $5,000 as part of the refund. Instead of helping that family preserve the funding and plan for the future, the message being sent is "spend that money now or you're going to lose your TANF benefits."

The Financial Guidance Center (FGC) has an Individual Development Account program (IDA), which has three purposes: education, entrepreneurship and homeownership. For homeownership, FGC can match $15,000 for $5,000 contributed by the homeowner. They are automatically over the limit. They can never accomplish homeownership. In the education and entrepreneurship programs, if there are federal match funds they are exempt, but in the IDA program, which is a 3-fold program, the consumer provides a dollar, a private funder provides a dollar and the federal government provides a dollar, so the federal government money is exempt, but the other two are not exempt. They automatically go toward those asset limits. The very programs that were designed to help a family grow out of poverty, with any asset limit will hold them in. One car is exempt. In southern Nevada transportation is a huge issue. Many families have 2 vehicles. Most vehicles are worth at least $6,000, again, automatically eliminating them from TANF benefits. Making it consistent amongst all the programs will serve the state well and will serve those very families that we are trying to serve.

Ms. Navarro commented that the Treasurer's office has developed the Kick-Start program where they provide a $50 account to every Kindergartner in the State of Nevada. They also run another program called U-Promise, in which the Treasurer's office helps children start a 401K account. Ms. Navarro stated that families feel they have hope and are given encouragement that their child already has $50 in an account for college even though they are on TANF or Food Stamps. However, they are still afraid that having that account will put them over the limit. It is a disservice to families because we are saying we are going to help them financially, but end up limiting them. It's an injustice to families. Ms. Navarro stated that she feels that families should be able to save money and prepare for college for their children.

Ms. Berkley commented that she agrees with eliminating the asset test. However, she feels that the $6,000 increase is a step forward. She has been advocating on behalf of the poor for more than 25 years and the amount has been $2,000 for a very long time. If the cost of living is taken into consideration, $6,000 would fall short. This is not adequate, but it is a step forward.

Mr. George stated that he sent a letter for the record. The Treasurer's office has helped sponsor women's money conferences the last couple of years. During those conferences, parents have spoken to the Treasurer, Kate Marshall to tell her that they would love to do it but they would risk losing their assets. He concurred with Ms. Berkley that the $6,000 increase is a good step but it would be better if the asset limit was eliminated altogether in the future. We are trying to help people get out of poverty, and the way to do that is with savings accounts. If you can't plan for the future you have not future.

Ms. Allard added that there is another letter to be entered into record by Cherie Jameson of the Food Bank of Northern Nevada.

Mr. McMahon added that he received an email from John Sasser, Washoe Legal Services and Legal Aid Center for Southern Nevada, stating that he could not attend but strongly supports increasing the asset limit to $6,000.

Mr. McMahon commented that the Division recognizes that additional resources are important. Referring to Ms. Brown's comments, in which she provided information about studies that are being done by many social research organizations around the country, Mike stated that the Pew Foundation recently came out with a study specifically targeting states that had $1,000 in asset limits. The study they performed indicated that moving the asset limit from $1,000 to $2,000 showed a significant ability for a family to become more resilient and survive economic downturns. The Division does recognize that and has conducted a survey of the asset tests in various states. That information was evaluated along with additional factors and based on that survey the Division has chosen to set the asset limit at $6,000.

Mr. McMahon asked if there were any additional comments from the north or any comments from the south.

Hearing no comments, Mr. McMahon adopted the regulations and plan changes on behalf of the Director of Health and Human Services, effective July 1, 2014.

Ms. Wilson stated that she would describe the proposed regulations for the Low-Income Home Energy Assistance Program (LIHEAP) state plan and Mr. Conway of the Nevada Housing Division would describe the changes to the weatherization portion of the program as follows:

II. LIHEAP

Nevada Revised Statutes, Chapter 702, requires the Department of Health and Human Services, Division of Welfare and Supportive Services, and the Department of Business and Industry, Housing Division, to adopt regulations for the administration of energy assistance and weatherization services to low-income Nevadans. The Division of Welfare and Supportive Services (DWSS) proposes to adopt the SYF15 LIHEAP State Plan effective July 1, 2014 to incorporate several changes outlined on the attached document. State Plan changes will be incorporated into the EAP policy manual.

NEED AND PURPOSE OF PROPOSED STATE PLAN:

The U.S. Department of Health and Human Services (DHHS) provides federal block grant funds to states that administer a Low-Income Home Energy Assistance Program (LIHEAP). States must submit an application for funds (annual state plan) to DHHS each year. See below for the proposed updates to the State Plan for FY 2015.

The benefit program year begins July 1, 2014. A FY 2015 state plan is necessary to delineate the program benefits, eligibility criteria, available emergency/crisis assistance, and other policy changes occurring in the Energy Assistance Program (EAP), administered by the Division of Welfare and Supportive Services.

FY 2015 federal funding is anticipated to come in lower than FY 2014 per the President's Proposed Budget.

EFFECTIVE DATE: July 1, 2014.

FINANCIAL IMPACT:

Program expenditures are limited to the federal LIHEAP block grant and revenue from the Nevada Fund for Energy Assistance and Conservation.

IMPACT ON LOCAL GOVERNMENT:

There is no financial impact upon local government.

PROPOSED UPDATE FY 2014 STATE PLAN:

A LIHEAP State Plan draft and the Program Integrity draft with the proposed updates will be available for review on the Division's website at http://dwss.nv.gov no later than April 30, 2014. The following is a summary of the proposed updates: This will include a copy of the proposed changes to the federal 'Model Plan' that is expected to be required by DHHS for the FY 2015 LIHEAP State Plan

The program year and other relevant dates will be updated throughout the document. Clarification of language throughout the document is proposed to be updated.

Mr. Conway stated that Housing is adding a statement under their exceptions for LIWAP rules that DOE allows an eligibility income limit of 200% of poverty, but LIHEAP eligibility is limited to households at or below 150% of poverty. Moved the statement, "Priority assistance is provided to households who have weatherization related health and safety hazards or inoperative primary heat or cooling systems" to the exceptions section. The statement, "Funds may be utilized to provide emergency supplies such as portable space heaters, coolers or fans to household experiencing loss of electricity and/or heating for an extended period of time" is added.

Housing is proposing increasing the maximum amount expended per household from $7,500 to $8,000.

The Energy Assistance Program has no significant proposed program changes for FY 2015.

Mr. McMahon asked if there was any public comment in the north or south.

Not hearing any comments, Mr. McMahon asked Ms. Wilson and Mr. Conway to continue with the proposed regulations for the Nevada Fund for Energy Assistance and Conservation State Plan.

Ms. Wilson described the proposed section changes as follows:

III. Nevada Fund for Energy Assistance and Conservation Program

Nevada Revised Statutes, Chapter 702, requires the Department of Health and Human Services, Division of Welfare and Supportive Services, and the Department of Business and Industry, Housing Division, to adopt regulations for the administration of energy assistance and weatherization services to low-income Nevadans. The Division of Welfare and Supportive Services (DWSS) proposes to amend the Nevada Fund for Energy Assistance and Conservation Program State Plan effective July 1, 2014 to incorporate several changes outlined on the attached document. State Plan changes will be incorporated into the EAP policy manual.

NEED AND PURPOSE OF PROPOSED STATE PLAN:

Nevada Revised Statutes, Chapter 702, requires the Department of Health and Human Services, Division of Welfare and Supportive Services, and the Department of Business and Industry, Housing Division, to adopt regulations for the administration of energy assistance and weatherization services to low-income Nevadans. See below for the proposed updates to the State Plan for FY 2015.

EFFECTIVE DATE: July 1, 2014

FINANCIAL IMPACT:

Nevada Revised Statutes, Chapter 702, creates the Nevada Fund for Energy Assistance and Conservation, which is funded by universal energy charge (UEC) monies. The UEC is collected from retail customers of electricity and natural gas by the utility. The Public Utilities Commission of Nevada (PUCN) estimates $12.8 million in UEC revenues for SFY15. Up to 3% of UEC monies may be retained by the PUCN for administration costs; the remainder is distributed to the Division of Welfare and Supportive Services (75%) and the Housing Division (25%). The fund supports the Energy Assistance Program, administered by the Division of Welfare and Supportive Services and the Weatherization Assistance Program, administered by the Housing Division.

IMPACT ON LOCAL GOVERNMENT:

There is no financial impact upon local government.

PROPOSED UPDATE FY 2015 STATE PLAN:

A Nevada Fund for Energy Assistance and Conservation State Plan draft with the proposed updates will be available for review on the Division's website at http://dwss.nv.gov no later than April 30, 2014. The following is a summary of the proposed updates:

The program year and other relevant dates will be updated throughout the document. Clarification of language throughout the document is proposed to be updated.

Mr. Conway stated that Housing is proposing an increase the average cost per household expenditure by the program subgrantee from $4,000 to $4,500 and increase the maximum cost per unit weatherized from $7,500 to $8,000.

The Energy Assistance Program has no significant proposed program changes for FY 2015.

Mr. McMahon asked if there were any questions from members of the public or those in attendance in the north or south.

There were no comments.

Hearing no further comments, Mr. McMahon adopted the regulations and state plan changes to the LIHEAP and Nevada Fund for Energy Assistance and Conservation State Plans and Policy Manuals effective July 1, 2014, on behalf of the Director of Health and Human Services.

IV. GENERAL PUBLIC COMMENT:

Mr. McMahon asked if there were any other comments in the north or south on items not mentioned at this hearing.

There were no comments.

Mr. McMahon thanked those in attendance for their participation in this public hearing. He closed the public hearing at 10:01 a.m.